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1. A method for monitoring business transaction processing in an environment containing a number of component-based applications, wherein a first application emits a stream of events representative of a state transition or significant occurrence, the method comprising continuously:

detecting whether an event occurs in the first application, and for each event detected: a) capturing event data values corresponding to the event, wherein the event data values identify the application that generated the event and the time of the event generation; and b) collecting the event and the associated event data in a first event buffer; and

correlating events from the first event buffer into a correlation buffer, wherein the events in the correlation buffer are ordered according to the time of event generation;

2. A method for monitoring business transaction processing in an environment containing applications comprised of a plurality of components, wherein a first application emits a stream of events representative of a state transition or a significant occurrence, the method comprising continuously:

detecting whether an event occurs in the first application, and for each event detected: a) capturing event data values corresponding to the event, wherein the event data values identify the application that generated the event and the time of the event generation; and b) collecting the event and the associated event data in a first event buffer; and

associating each event to at least one other event to create a merged event; and

creating a transaction from the merged event, the transaction comprising a start, an end, and a duration, wherein a transaction is a single, atomic operation performed on behalf of a particular user.

- 3. The method of claim 1 or 2 further comprising collecting a set of transactions to form a real-time transactional model of the business transaction processing.
- 4. The method of claim 1 or 2 wherein creating a transaction further comprises:

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creating a model of the components of the application from the merged events; and

creating the transaction from the model and other merged events.

5. The method of claim 1 or 2 further comprising a second application emitting a stream of events, the method further comprising:

detecting whether an event occurs in the second application, and for each event detected: a) capturing event data values corresponding to the event, wherein the event data values identify the application that generated the event and the time of the event generation; and b) collecting the event and the associated event data in a second event buffer; and

combining the events from the first event buffer and the second event buffer into a correlation buffer, wherein the events in the correlation buffer are ordered according to the time of event generation.

6. The method of claim 1 or 2 wherein creating a transaction further comprises:

determining a begin event of the transaction; determining a component employed by the transaction; determining an end event of the transaction; determining a transaction duration; and determining a transaction name.

- 7. The method of claim 6 wherein determining a begin event further comprises determining whether an event is a root object method call, and if the event is a root object method call, assigning the root object method call as the begin event of the transaction.
- 25 8. The method of claim 6 wherein determining an end event further comprises determining whether an event is a method return event and if the event is a method return event, assigning the method return event as the end event of the transaction.
- The method of claim 6 wherein collecting a set of transactions to form a
   real-time transactional model of the business transaction processing further comprises:

partitioning transactions into transaction sets based on the transaction name; and

determining an active number of transactions and a completed number of transactions.

- 5 10. The method of claim 1 or 2 further comprising:

  detecting a system event generated by an operating system, wherein the system event provides data descriptive of a process executing a transaction; and correlating the system event with the transaction.
- The method of claim 10 further including:
  collecting a series of system events; and
  generating a performance curve of the system using the system events.
  - 12. The method of claim 11 further including correlating the set of transactions and the performance curve of the system to evaluate the business transaction processing.